



# Charter Schools In Michigan

**“Twenty Years Old & Still Growing”**

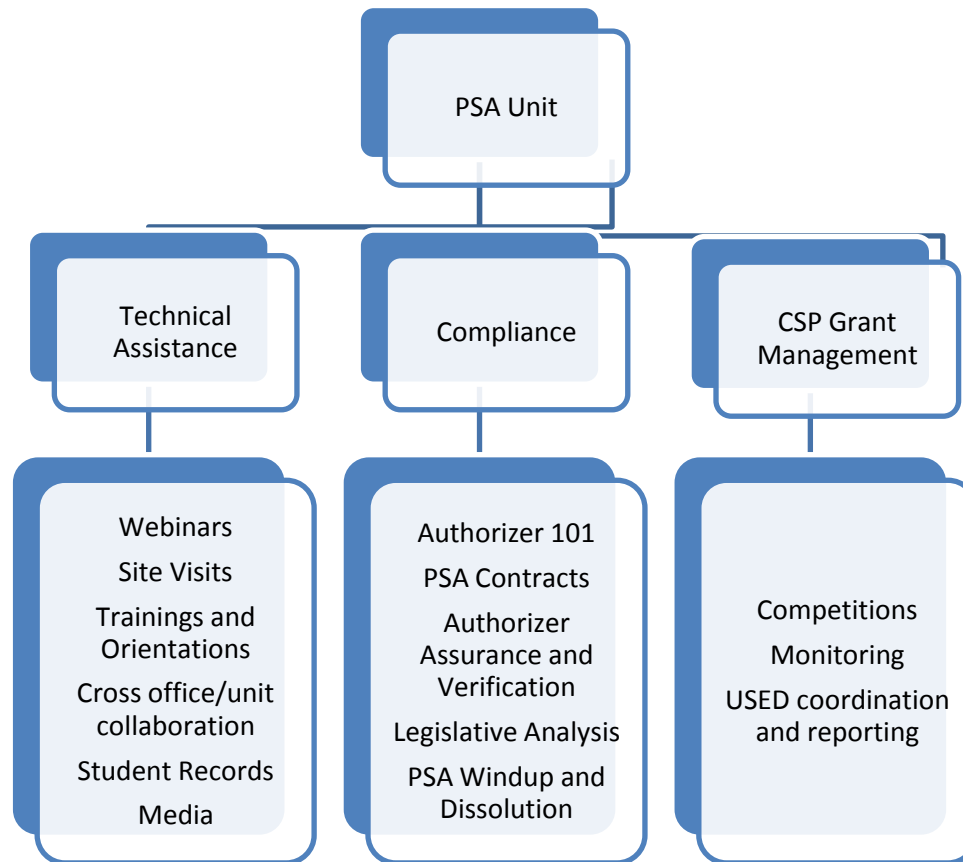
# Background

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- ❑ Revised School Code amended in 1993 (Act 362 of 1993)
- ❑ PSAs are Michigan Non-Profit Corporations
- ❑ State Public Universities led chartering effort
- ❑ Caps exist for State Public University authorized Part 6A PSAs (Limited to 500 through December 31, 2014)
- ❑ Cap exist for New Charters Schools of Excellence authorized under Part 6E (10)
- ❑ Caps exist for schools of excellence that are cyber schools, both in terms of the number that can be authorized and the total enrollment within them (one per LEA, ISD, and community college [minus BMCC]), and 10 through December 31, 2014, and 15 the year after for statewide authorizers. Enrollment can not exceed 2% of 2011-2012's total statewide K-12 pupil enrollment which equates to 31,047 charter cyber school students.)

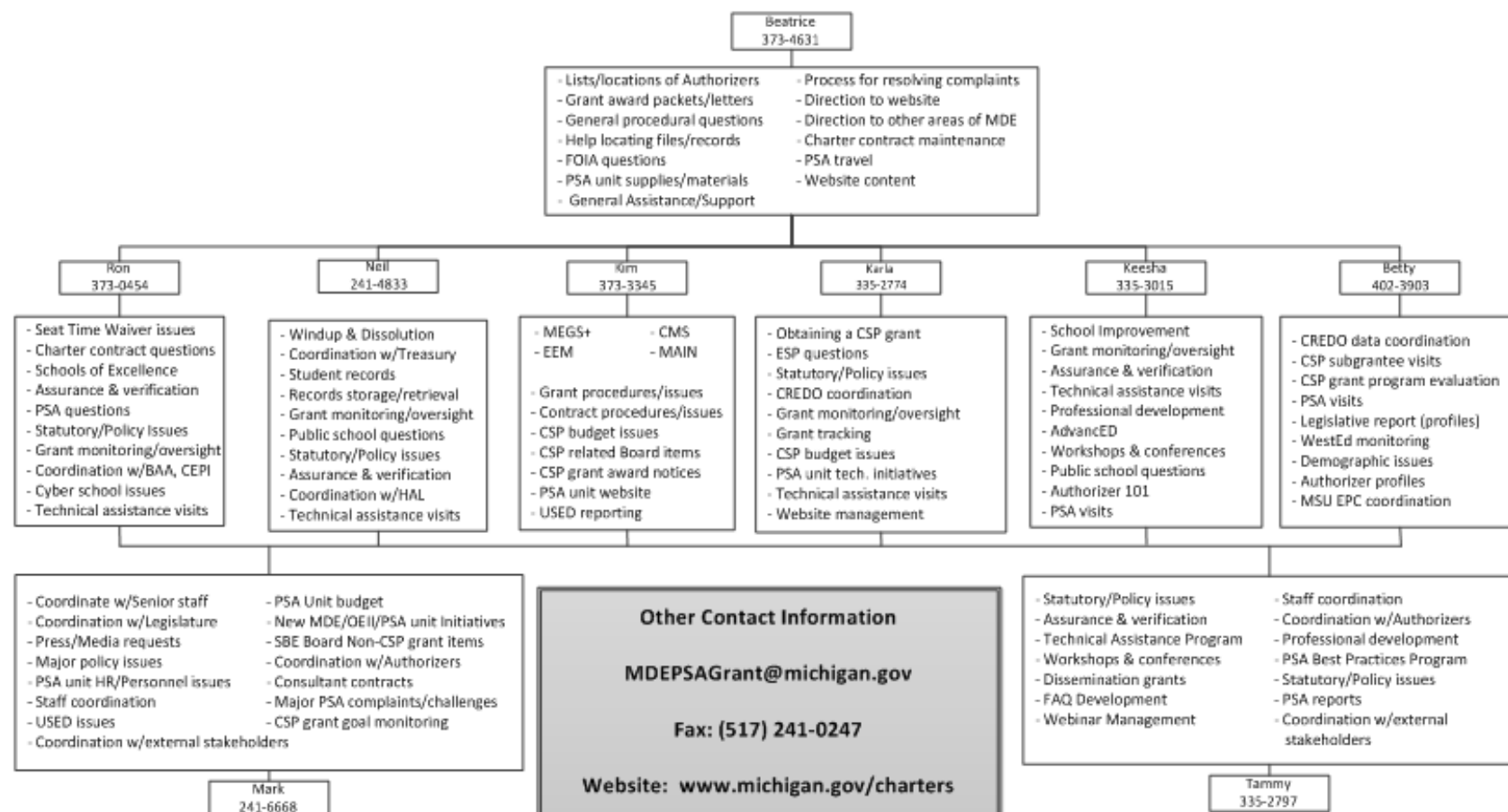
# Primary Functions

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## Public School Academies (PSA) Unit Telephone Triage

All number are 517 area code



Updated 12/16/2013

# Types of Public School Academies

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- ❑ Part 6A PSAs –Bulk of PSAs are in this category
- ❑ Part 6C PSAs –Urban High Schools (Just in Detroit)
- ❑ Part 6E PSAs –Schools of Excellence
  - Conversions from Part 6A PSAs
  - New Part 6E PSAs (None of These)
  - Cyber Schools that are Schools of Excellence
- ❑ Strict Discipline Academies
  - Special Schools for Adjudicated, Suspended, Expelled, and Agency-Placed Students. (13)

# Part 6A Public School Academies

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- ❑ 260 of 296 are Part 6A
- ❑ 151 of 260 Part 6A PSAs serve K-8 (or less)
- ❑ 109 of 260 Part 6A PSAs serve 9-12 (or more)\*
- ❑ 240 of 260 Part 6A PSAs operate primarily in a General Education setting
- ❑ 16 of 260 Part 6A PSAs operate primarily in an Alternative Education or Credit Recovery setting
- ❑ 4 of 260 Part 6A PSAs operate primarily in a Special Education setting
- ❑ 3 of 260 Part 6A PSAs operate primarily in a Language Immersion settings

# Part 6C Urban High Schools

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- ❑ 3 of 296 are Part 6C Urban High Schools
- ❑ 3 of 3 Part 6C Urban High Schools serve 9-12
- ❑ 3 of 3 Part 6C urban High Schools serve some or all of grades K-8
- ❑ Part 6C Urban High Schools are restricted to the States former First Class District (Detroit)
- ❑ Unique financial requirements in the law.

(Note: Now that Statewide Authorizers are not restricted by a limiting cap, there is no compelling advantage or reason to create Urban High Schools.)

# Part 6E Schools of Excellence

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- ❑ 20 of 296 are Part 6E
- ❑ 19 of 20 Part 6E Charters serve some or all of grades K-8
- ❑ 1 of 20 Part 6E Charters serve some or all of grades 9-12
- ❑ 13 of 20 Part 6E Charters were converted from Part 6A Charters
- ❑ Unique enrollment stipulations in the law
  - Conversion requirements made unreachable after the MEAP cut scores were raised in 2012
  - Must work toward operating grades 9-12 by the fifth year of operation or enter into a matriculation agreement for those grades.
- ❑ 7 of 20 Part 6E Charters are Cyber Charter Schools
- ❑ Also, according to CEPI, 9,448 students participated in 100% online instruction in traditional public school districts in 2012-2013. Cyber Charter Schools had an enrollment of approximately 1,742 students during that same time period.



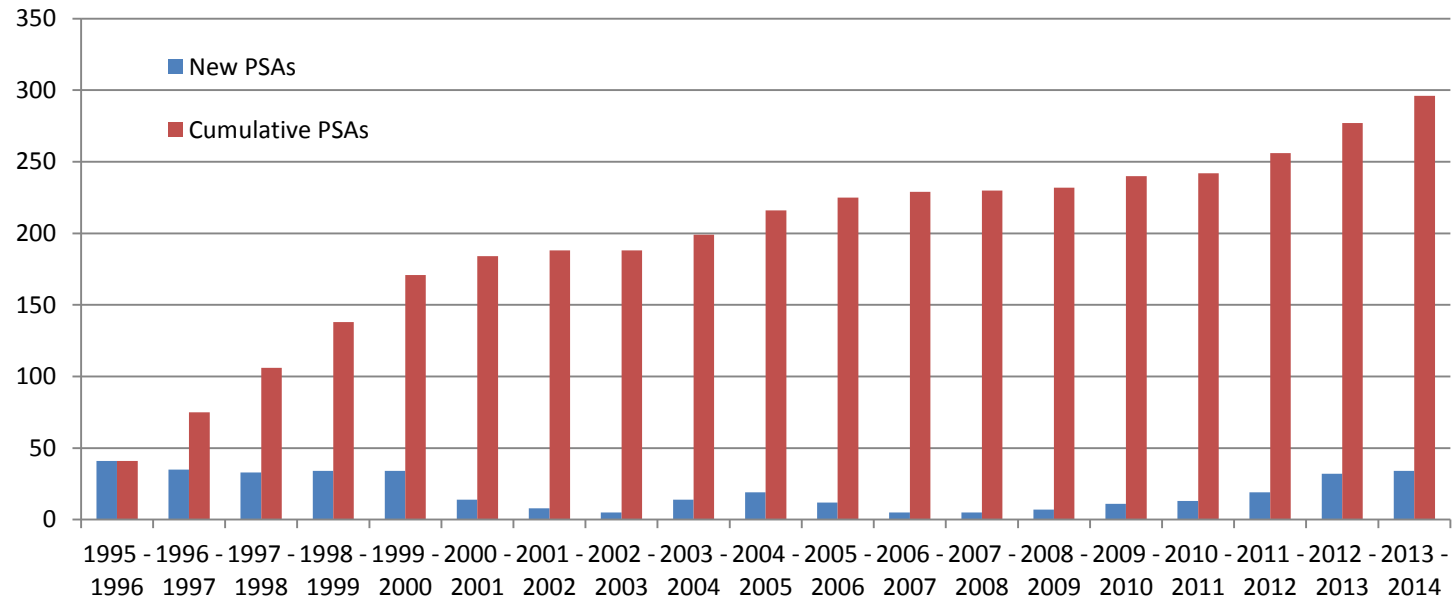
# Cyber Schools That Are Schools of Excellence

Entity Name	Entity Code	May 2014 Audited FTE	Chartering Agency	Authorized Grades	Educational Service Provider
Great Lakes Cyber Academy	33914	337.93	CMU	9-12	Connections Education, LLC
ICademy	70909	210.15	LSSU	KG-12	Innovative Educational Services
LifeTech Academy	23900	34	Eaton Rapids PS	7-12	Engaged Education
Michigan Connections Academy	33911	1487.32	FSU	KG-12	Connections Academy
Michigan Great Lakes Virtual Academy	51905	656.74	Manistee Area PS	KG-12	K-12 Virtual Schools
Michigan Virtual Charter Academy	41925	3987.23	GVSU	KG-12	K12 Inc.
Mosaica Online Academy of Michigan	53900	24.09	Baldwin Comm. Schools	KG-12	Mosaica Online

Note: Total enrollment (audited pupil count) in charter cyber schools for 2014 is 6,737.46 FTE. It is important to note that not all cyber charter schools use the 100% online model. Additionally, the highlighted PSAs are in their 3<sup>rd</sup> year of operation. The others are new.

# Proliferation

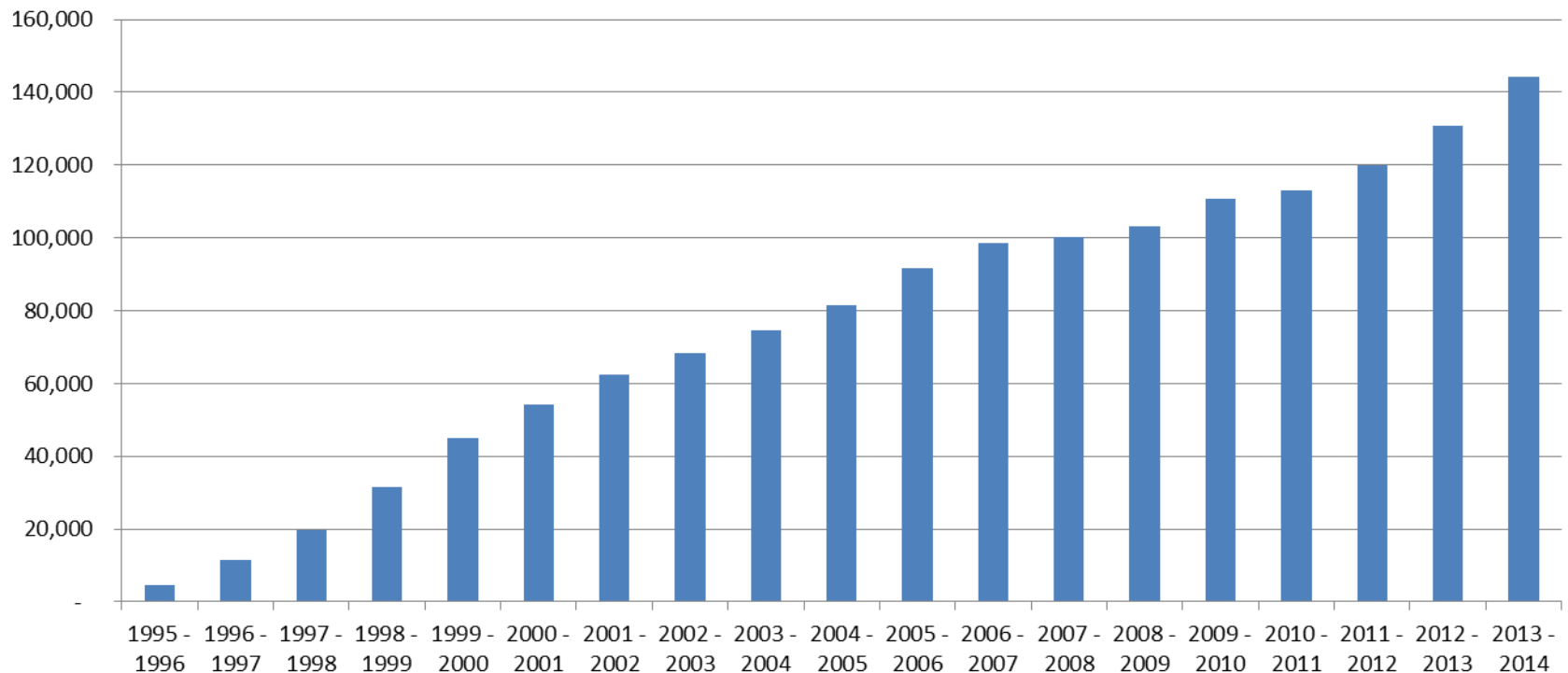
## □ Public School Academies



Note: 296 PSAs with 365 Schools as of May 23, 2013

# Proliferation

## □ Enrollment (Total To date: 144,254 or 8.7% of MI Total Enrollment)



# Primary Stakeholder Groups

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- ❑ Students
- ❑ Parents
- ❑ Education Service Providers
- ❑ Traditional Public School Districts
- ❑ Intermediate School Districts
- ❑ Community Colleges
- ❑ State Public Universities
- ❑ Michigan Department of Education
- ❑ Michigan Association of Charter School Boards
- ❑ National Charter Schools Institute
- ❑ Michigan Council of Charter School Authorizers
- ❑ Michigan Association of Public School Academies

# Student Demographics

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- ❑ PSAs are predominantly located within or immediately adjacent to areas where the resident district:
  - has underperformed academically,
  - has underperformed in parent satisfaction,
  - has large percentages of minority students, and
  - has large percentages of students in poverty, as defined by free or reduced lunch eligibility.

# Student Testing Demographics

- According to 2012-2013 Testing Data, PSAs have the following demographics compared to the State as a whole:

	White	Black	ED	LEP	SE
State	71%	18%	47%	4%	11%
PSAs	35%	53%	67%	5%	9%

Note: There are 370 PSA Schools Currently in Operation Today

# Top to Bottom Rankings

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- ❑ Most PSA Schools (155 of 237) are distributed in the bottom 40% of the Top to Bottom (TtB) list.
- ❑ 237 PSA Schools are represented out of 2798 schools listed (8.5%)
- ❑ PSA Schools are slightly over-represented within the Priority List. (Not counting recent conversions)
- ❑ PSA Schools are under-represented within the Focus List.
- ❑ PSA Schools are slightly over-represented within the Reward List.

# Academic Proficiency

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- ❑ PSAs, as a group, do not have proficiency levels above the state average in any subject area or grade level tested on the MEAP.
- ❑ PSAs, as a general rule, achieve at the same level or slightly above their resident districts as it relates to MEAP proficiency in nearly every MEAP subject area tested.



# Academic Growth

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- ❑ On average, students attending PSAs show higher growth percentages than their resident district peers
- ❑ On average, students attending PSAs tend to start farther behind grade level than their resident district peers.
- ❑ Most state public university authorizers require Scantron Performance Series or NWEA MAP as an additional measurement instrument. The alignment of these instruments to the MEAP & Common Core has been questioned.

# Academic Growth

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- *“Thirty-five percent of the charter schools have significantly more positive learning gains than their TPS counterparts in reading, while two percent of charter schools have significantly lower learning gains. In math, forty-two percent of the charter schools studied outperform their TPS peers and six percent perform worse. These findings position Michigan among the highest performing charter school states CREDO has studied to date.” (CREDO, Charter School Performance in Michigan, January 11, 2013)*

# Management Companies

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- ❑ AKA “Education Service Providers” (ESPs)
  - CMO –Charter Management Organization (Non-Profit)
  - EMO –Education Management Organization (For-Profit)
- ❑ Full service to a la carte
- ❑ PSAs may self-describe their relationships with vendors (EEM)
- ❑ National Heritage Academy is largest provider with 47 schools (+3 affiliated HS –PrepNet)
- ❑ 90 ESPs in Michigan Operating 248 PSAs (84%)
- ❑ 87% of Michigan’s ESPs are For-Profit
- ❑ MAPSA is the primary advocacy group for PSAs.

# Authorizers

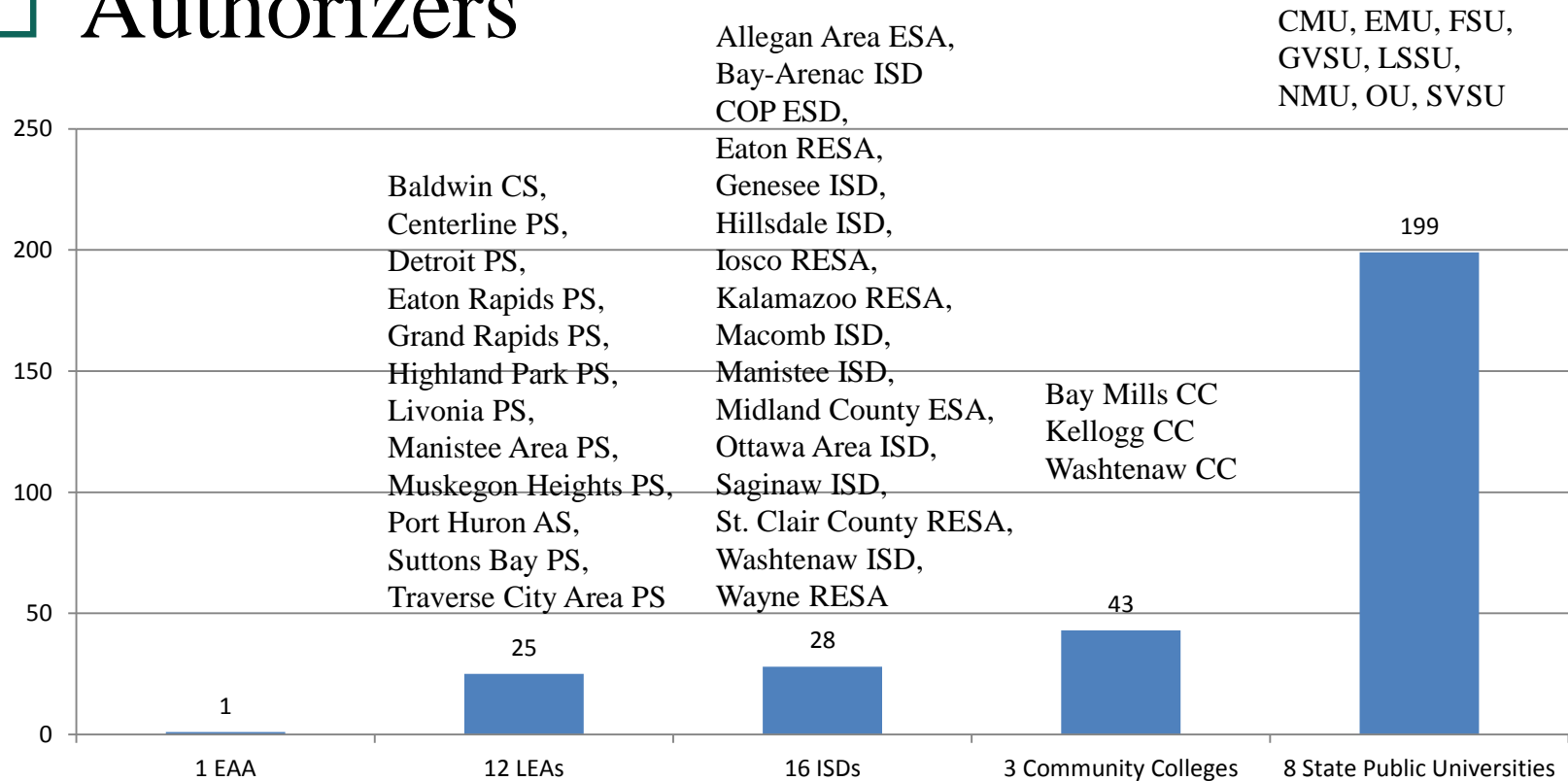
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- Statewide Authorizers (241)
  - State Public Universities (199)
  - Bay Mills Community College (41)
  - Education Achievement Authority (1)
- Community Colleges, Intermediate School Districts & Traditional Public Schools (Catchment Areas)\*<sup>1</sup>
  - Largest are Wayne RESA, St. Clair RESA, & DPS

Notes:      \*1 –Part 6A PSAs authorized by these entities have catchment areas and are limited to where they can operate. Part 6E Cyber Schools that are Schools of Excellence authorized by these entities may operate statewide.

# Proliferation

## □ Authorizers





# TA for Authorizers

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- 101
  - For new authorizers
- A&V
  - 2 – 4 year cycle

# TA for Authorizers

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
1	2013 - 2017 Authorizer Visits																
2	Meeting scheduled	Blue															
3	Awaiting scheduling	Red															
4	Meeting completed	Black															
5																	
6	Authorizer	Date of 101 Visit	Reps for 101 Visit	Last A & V	Reps for last A & V	2014 Visit Date	2014 Visit Reps	2015 Visit Date	2015 Visit Reps	2016 Visit Date	2016 Visit Reps	2017 Visit Date	2017 Visit Reps	Academy and Location	Authorizer Address	CSO Manager	
7	Suttons Bay School District	7-Jan-14	RS	11/15/2010	SVK	7-Jan	RS	N/A	N/A	N/A	N/A						
8	Ferris State University			1/27/2011	RS	19-Mar	RS/TH	N/A	N/A	N/A	N/A	N/A	N/A			Ronald Rizzo	
9	Kalamazoo RESA			2/15/2011	RS	May-14	RS/KF	N/A	N/A	N/A	N/A						
10	Ottawa Area ISD			3/10/2011	RS	Apr-14	RS/NB	N/A	N/A	N/A	N/A					They will be closing Wavecrest 2014	
11	Washtenaw ISD			3/30/2011	SVK	5/30/2014	KB/NB	N/A	N/A	N/A	N/A						
12	Washtenaw Community College			3/30/2011	SVK	appt req sent 5/1	KB/NB	N/A	N/A	N/A	N/A						
13	Hillsdale ISD			4/5/2011	SVK	Apr-14	RS/KF	N/A	N/A	N/A	N/A						
14	Macomb ISD			5/5/2011	RS	May-15	TBD	N/A	N/A	N/A	N/A	N/A	N/A				
15	Wayne RESA			12/15/2011	RS	Oct-14	TBD	N/A	N/A	N/A	N/A						

# Closure



Item	Action	Responsible Party	Status
#1	MCL 450.2804(2) PSA board adopts resolution to dissolve corporation and plan of distribution of assets to be implemented. PSA authorizer must be notified & approval obtained from authorizer if not already completed.		
#1	Board to appoint group or person to be responsible for the wind-up activities.		
#1	Board must approve operating plan with timetables for completion of wind-up & dissolution tasks. Funds must be set aside to: complete required inventory, appraisal and sale of assets at fair market value, completion of final audit. UCC search should be ordered to determine if there are any secured creditors.		
#1	Building, property, equipment and all assets must be secured against theft, misappropriation and deterioration. Insurance should be maintained on assets until disposed of according to the plan for disposition of assets.		
#2	Establish a temporary office or base of operation: <ol style="list-style-type: none"> <li>Publish notice of location of office and hours of operation.</li> <li>Install telephone with voice message stating hours of operation.</li> <li>Hire an individual to act as custodian of and maintain and disburse student files, and other documents, files and records.</li> <li>Perform day-to-day wind-up duties as required, and</li> <li>Maintain custody of business records until all business and transactions are completed.</li> <li>Terminate all leases, service agreement and other contracts not required for completion of wind-up.</li> </ol>		



# Accountability Reports

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- ❑ PSA Status Updates (Monthly)
- ❑ Authorizer Accountability (2012)
- ❑ Management Company Report (2013)
- ❑ Student Mobility Report (2014)
- ❑ Strict Discipline Academy Report\*<sup>1</sup>
- ❑ CREDO Participation\*<sup>2</sup>
- ❑ CSP Annual Performance Report\*<sup>2</sup>

Notes:      \*1 –Required by Revised School Codes

              \*2 –CSP Grant Requirement

# CSP Grant

- ❑ Issued for five years ending 7/31/2015
- ❑ Issued for \$44.3M (Almost \$9M/Year)

<b>Target: Increase charter schools from 240 to 282 with 35 new schools in Detroit</b>	<b>Goal (New Schools)</b>	<b>Actual (New Schools)</b>	<b>Goal (Detroit)</b>	<b>Actual (Detroit)</b>
2010-2011	6	13	4	5
2011-2012	6	20	6	8
2012-2013	10	34	9	12
2013-2014	10	34	8	13
2014-2015	10		8	
TOTALS	42	101	35	38

# CSP Grant

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- ❑ CSP Grant is 36-months in duration
- ❑ Planning Stage, Implementation I & Implementation II Stages
- ❑ All Administrative Allocations Are Set to Expire in July 2015.
- ❑ With a No-Cost Extension, Awardees can Expend Grant Funds through July 31, 2016

<b>Target: 100 New Planning Grants</b>	<b>Goal</b>	<b>Actual</b>
2010-2011	20	38
2011-2012	20	43
2012-2013	20	18
2013-2014	20	15
2014-2015	20	
<b>TOTALS</b>	<b>100</b>	<b>114</b>

# Unique PSA Issues of Today

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- ❑ Lack of Statutory Authority to Oversee Authorizers & Charter Contract Compliance (U.S. House Resolution 10)
- ❑ Federal CSP Grant Ends 7/31/2015, New Round Not Announced Yet
  - New Grant Support to PSA Startups
  - PSA Unit Staffing
  - Initial PSA Oversight
- ❑ Lack of PSA Support from Some ISDs
- ❑ Cyber School/Special Education Funding Conundrum
- ❑ Muskegon Heights/Highland Park Chartering Model
- ❑ Equitable Funding
- ❑ Windup & Dissolution Disconnects

# Questions?

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